

These **SAMPLE SOURCE SELECTION EVALUATION FACTORS** originate from the on-line PBSA course developed through a partnership between the Institute for Supply Management (ISM), the National Contract Management Association (NCMA), and the Department of Defense. The copyrights are held by the ISM and NCMA. Copyright permission has been granted for use in USACCE's Center of Excellence for Service Contracting.

SOURCE SELECTION

SAMPLE 1 - COMMERCIAL: LOW COST TECHNICALLY ACCEPTABLE

Award will be made to that responsible offeror proposing the lowest price for services meeting the requirements of this solicitation.

SAMPLE 2 - COMMERCIAL: PRICE = (TECHNICAL + PAST PERFORMANCE)

The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

1. Price
2. Past Performance
3. Technical Capability

Technical Capability and Past Performance, when combined, are equal to price.

SAMPLE 3 - COMMERCIAL: PAST PERFORMANCE = PRICE

The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be the most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

Evaluation of Past Performance - The Government will evaluate the quality and content of the Offeror's past performance. The Government reserves the right to obtain information for use in the evaluation of past performance from any and all sources.

This Government evaluation of the quality and content of the Offeror's past performance is separate and distinct from the Contracting Officer's responsibility determination. Evaluation will be based on the extent to which the Offeror has demonstrated, through recent past performance under contracts of a similar nature, it's ability to successfully meet the requirements of the Request for Proposal (RFP). The evaluation will consider the Offeror's history of relevant experience, reasonable and cooperative behavior, adherence to contract schedule, and commitment to providing quality services similar to that described in the Statement of Work.

Companies lacking relevant past performance history will be evaluated on past performance information regarding predecessor companies, key personnel who have relevant experience, or subcontractors that will perform major or critical aspects of the requirement when such information is relevant to the instant acquisition.

The contract resulting from this solicitation will be awarded to the Offeror whose proposal is in the best interest of the Government in regards to past performance and price. Past performance is approximately equal to price.

FAR 52.217-5, "Evaluation of Options" is hereby incorporated by reference.

**SAMPLE 4 - COMMERCIAL:
CAPABILITY (includes past performance) >> PRICE**

The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

(1) Merits of the Offer. The Government will determine the merits of each offer on the basis of (1) its acceptability and (2) its price reasonableness.

(2) Acceptability. The Government will determine the acceptability of each offer on a pass or fail basis. An offer is acceptable when it manifests the offeror's assent, without exception, to the terms and conditions of the solicitation.

(3) Price. The Government will evaluate the reasonableness of the price of each acceptable offer in relation to the offeror's relative capability (See Source Selection Decision, below.)

(4) Relative Capability of the Offeror. The Government will determine the relative capability of each offeror on the basis of (1) its relative organizational past performance, (2) its relative organizational experience, (3) its relative understanding of the Government's requirements, and (4) its demonstrated ability to comply with instructions.

(5) Organizational Past Performance. Past performance is a measure of the degree to which an offeror satisfied its customers in the past and complied with country and local laws and regulations. The Government will contact some of each offeror's customers to ask whether or not they believe: (1) that the offeror was capable, efficient, and effective; (2) that the offeror's performance conformed to the terms and conditions of its contract; (3) that the offeror was reasonable and co-operative during performance; (4) that the offeror was committed to customer satisfaction. In evaluating past performance the Government will contact some of the references provided by the offeror and other sources of information, including but not limited to country and local government agencies, better business bureau, published media, and electronic data bases. The Government may evaluate the organizational past performance of the offeror's proposed key subcontractors.

(6) Organizational Experience. Experience is the opportunity to learn by doing. The Government will evaluate each offeror's organizational experience on the basis of its breadth, its depth, and its relevance to the work that will be required under the prospective contract. The Government will not evaluate an offeror's organizational experience on the basis of the personal experience of the offeror's key personnel. However, the Government will consider the extent to which the offeror's key personnel have worked together in the past. The Government will evaluate the organizational experience of the offeror's proposed key subcontractors.

(7) Understanding of the Government's Requirements. The Government will evaluate each offeror's relative understanding of the Government's requirements on the basis of its oral presentation.

(8) Compliance with Instructions. In evaluating offeror's capability, the Government will consider how well the offeror complied with the instructions in this solicitation. The Government will consider any non-compliance or attempt to take advantage of loopholes in the instructions in the solicitation to be indicative of what can be expected from the offeror during contract performance.

(9) Relative Importance of the Evaluation Factors. An offer must be acceptable in order for the offeror to be eligible for award. The Government will not award a contract on the basis of an unacceptable offer. Thus, acceptability of the offer is the most important evaluation factor. The capabilities evaluation factors are listed in descending order of importance as follows: (1) past performance, (2) corporate experience, (3) understanding of the Government's requirement and (4) demonstrated ability to comply with instructions. The evaluation will consider capabilities significantly more important than price. The Government reserves the right to award the contract to other than the lowest priced offeror. However, the Government will not select an offeror for award on the basis of a relatively superior capability without concern for the amount of its price. The relative impact that capability and price will have on the source selection decision will depend, on the marginal differences among the competing offerors.

(10) Source Selection Decision. In order to select the winning offeror, the Government will rank the offerors from best to worst by making a series of paired comparisons among them, trading off the marginal differences in capability and price between the members of each pair. If one member of a pair has both the better capability and lower price, then that member will be the better value. If one member has the better capability and the higher price, then the source selection authority will decide whether the marginal difference in capability is worth the marginal difference in price. If the source selection authority considers the better capability to be worth the higher price, then the more capable, higher-priced offeror will be the better value. If not, then the less capable, lower-priced offeror will be the better value. The source selection authority will continue to make paired comparisons until he or she has decided which offeror represents the best value.

Capabilities, including past performance, are significantly more important than price.

SAMPLE 5 - GOVERNMENT:

PRICE > PAST PERFORMANCE

EVALUATION FACTORS FOR AWARD: The Government will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the Government, price and other factors considered. The following factors shall be used to evaluate offers:

EVALUATION FACTORS (in descending order of importance)

(i) Price: The offered prices for each CLIN/SLIN and total amount including those for option years, will be evaluated.

(ii) Past Performance: During the source selection process, the Government will assess the offeror's ability to perform, including the offeror's likelihood of achieving success in meeting the solicitation's requirements. Past performance is assessed and is assigned a narrative rating in the evaluation. The Government will evaluate each Offeror's past performance based on the information submitted by the Offeror, as well as information that the Government collects by itself. Proposals will be given credit for good past performance, lose credit for poor past performance, and neither receive nor lose credit for no past performance. In addition, past performance will be evaluated by relative importance of the information sources: U.S. Government agencies, Foreign Government agencies including local governments, and the private sector, in order. The Government may call or visit the Offeror's references reported hereunder to examine their assessment of the Offeror's performance.

FAR 52.217-5, "Evaluation of Options (JUL 1990)" is hereby incorporated by reference.

SINGLE AWARD FOR ALL ITEMS

Due to the interrelationship of supplies and/or services to be provided hereunder, the Government reserves the right to make a single award to the offeror whose offer is considered in the best interest of the Government, price and other factors considered. Therefore, offerors proposing less than the entire effort specified herein may be determined to be unacceptable.

SAMPLE 6 - GOVERNMENT: CAPABILITY >> COST

GENERAL INFORMATION

The contract resulting from this solicitation will be awarded to that responsible offeror whose offer, conforming to the solicitation, is determined to be most advantageous to the Government, cost and other factors considered. The Government will determine best value on the basis of the factors described below.

EVALUATION FACTORS

The Offeror's Capability is substantially more important than Cost. Although cost is substantially less important than all of the technical factors combined, it will not be ignored. The degree of its importance will increase with the degree of equality of proposals in relation to the other factors

on which selection is to be based, or when the cost is so significantly high as to diminish the value of the technical superiority to the Government.

OFFEROR CAPABILITY

The Government will evaluate the capability of the offerors that submitted acceptable proposals. The Government will evaluate their capability through the utilization of both oral presentations and other written information on the basis of the following subfactors, which are listed in descending order of importance: (1) technical understanding, (2) key personnel, (3) relevant corporate experience, (4) past performance, and (5) compliance with RFP instructions.

Technical Understanding. The Government will evaluate each offeror's understanding of the work on the basis of its written proposal and oral presentation. In making this evaluation, the Government will consider an offeror's knowledge of the work statement in terms of the concept, purpose, importance, salient operational procedures, inherent problems and ideas for solutions. The evaluation will also include an appraisal of the contractor's knowledge of the statement of work's relationship to other significant logistics, maintenance programs and databases, management approach, including approach to QA and task staffing and other information considered necessary to present an understanding and contractor's ability to accomplish these services.

Key Personnel. The Government will assess the quality and extent of the qualifications of the offeror's proposed key personnel based on a review of the resumes submitted against the portions of the Statement of Work pertaining to the minimum requirements for personnel in the following labor categories.

- (1) Program Manager
- (2) Project Engineer
- (3) Marine Mechanical Engineer
- (4) Shipboard Field Engineer (Mechanical)
- (5) Shipboard Field Engineer (Electrical)

Relevant Corporate Experience. The Government will appraise each offeror's work records to determine whether, during the past eight years, the offeror has had the opportunity to learn about relevant work processes and procedures and about the nature, difficulties, uncertainties and risks associated with performing the work that will be required under the prospective contract. The Government will not attribute to an offeror the individual experience of the offeror's current or prospective employees nor the experience of subcontractors representing a small portion of the proposed work.

Past Performance. Past performance is a measure of the degree to which an offeror, as an organization, has satisfied its customers and complied with federal, state, and local laws and regulations. The Government will inquire about the following elements, which are of equal importance in relation to each other, (1) the quality and timeliness of the offeror's work; (2) the reasonableness of its prices, costs, and claims; (3) the reasonableness of its business behavior including its willingness to cooperate and helpfulness in solving problems; (4) its concern for the interests of customers; and (5) its integrity. In the evaluation of past performance the

Government will contact former customers and Government agencies, and other private and public sources of information. An offeror with good past performance will enhance the evaluation value. An offeror with poor past performance will potentially decrease the offer's value to the Government, which will be reflected in its relative standing among offerors. An offeror with no past performance history will receive a neutral rating.

Compliance with RFP instructions. The Government will assess the extent to which each offeror complied with the instructions in this RFP. The Government will consider any failure to comply with these instructions to be indicative of the kind of behavior that it could expect during contract performance and of a lack of capability to perform satisfactorily.

COST

Cost is an evaluation factor, but is not assigned a specific weight in the manner of the Offeror Capability factor. The offeror's proposed cost will be evaluated on the basis of cost realism and the proposed fee for reasonableness. This evaluation may include, but is not limited to, consideration of actual rates being paid for similar services under other Government contracts, historical data, trend analysis, or DCAA rate check or audit information. Unrealistic rates will be considered in the cost realism analysis, and may be considered in the technical analysis which could effect reductions to the technical score.

Travel/Per Diem and Material/Equipment costs will be evaluated using the amounts shown in Section L plus applicable indirect costs.

DETERMINING BEST VALUE

In order to determine which offeror represents the best value, the Source Selection Authority (SSA) will make a series of paired comparisons among those offerors that submitted acceptable proposals. If, in any paired comparison, the offeror with the higher expected value also has the lower price, then the SSA will consider that offeror to represent the better value. If the offeror with the higher expected value has the higher price, then the SSA will decide whether the difference in expected value is worth the difference in price. If the SSA decides that it is, then he or she will consider the offeror with the higher expected value and the higher price to represent the better value. If not, then the SSA will consider the offeror with the lower expected value and the lower price to represent the better value. The SSA will continue to make paired comparisons in this way until he or she has identified the offeror representing the best value.

SAMPLE 7 - GOVERNMENT: TECHNICAL > PAST PERFORMANCE = PRICE EVALUATES COST BURDENS ON TRAVEL & MATERIAL

1. EVALUATION FACTORS

The evaluation factors are Technical, Past Performance and Price. The Technical factor is considerably more important than any of the other two factors. The Past Performance and Price factors are of equal importance.

The Government will evaluate and assign a qualitative rating to the Technical factor and subfactors for each offeror's proposal. In addition, the Government will evaluate the risks associated with the offeror's technical proposal and assign a proposal risk rating. Also, the Government will evaluate the offeror's past performance and systemic improvement record and assign a performance risk rating.

2. TECHNICAL The technical evaluation subfactors, in descending order of importance, are Key Personnel, Sample Tasks, and Staffing and Retention Plan

a. Key Personnel. The qualifications of key personnel will be evaluated based upon the extent to which the education and experience meet the minimum qualification requirements of the labor category (Pass/Fail) and then upon the extent to which the education and experience are relevant to the proposed tasks. Other sources may be contacted to verify the accuracy of resume contents.

b. Sample Tasks. The responses to sample tasks set forth in Section L will be evaluated to determine the extent of the offeror's understanding of the Government's requirements and ability to perform the task. The clarity and completeness of responses in addressing the special issues and problems associated with the performance of each sample task will be evaluated.

c. Staffing and Retention Plan. The staffing and retention plan, including the compensation package for professional employees, will be evaluated to determine the offeror's ability to provide and retain qualified personnel in sufficient numbers to perform the work under the contract. An unrealistic compensation package will be deemed to show a lack of understanding of the work to be performed.

3. PAST PERFORMANCE

Past performance and systemic improvement efforts will be evaluated by reviewing data presented by the offeror, data in existing Government data bases, data from cognizant procuring and contract administration offices, data from on-site surveys, and data from other customers of the offeror. Problems found in this data, which have not been addressed by the offeror, will be assumed still to be in existence.

Evaluation will be based on the extent, depth and quality of recent corporate experience in performing the same or similar work as this solicitation and the offeror's use of systemic improvement. Particular emphasis will be placed on the degree to which the offeror's management can demonstrate a concise relationship between its past performance data and its systemic improvement efforts as well as presenting the systemic improvement management approach to be used during execution of the proposed contract.

An offeror's past performance is not presumed to be perfect. Successful offerors will be able to demonstrate their application of systemic improvement management practices by presenting the root cause corrective actions taken to resolve performance problems.

4. PRICE

Price will be evaluated by adding the maximum hour extended price totals of the base year and

all option years and adding the General and Administrative and Material Handling price totals for material and travel of the base year and all option years.

**SAMPLE 8 - GOVERNMENT:
TECHNICAL = MANAGEMENT = COST
ONE CONTRACT AWARD
EVALUATES COST BURDENS ON TRAVEL AND ODCs**

The Government intends to evaluate proposals and award a contract without discussions with offerors. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. The failure of an offeror's proposal to meet any given requirement of the RFP may result in the entire proposal being found to be unacceptable and thus eliminated from the competition. One Contractor will be selected for award on the basis of their proposal being the most advantageous to the Government, price and other factors considered. The three evaluation factors are Technical, Management and Cost, which are of equal importance.

Prospective offerors are forewarned that a proposal meeting solicitation requirements with the lowest price may not be selected if award to a higher priced proposal is determined to be most advantageous to the Government.

TECHNICAL

The technical evaluation subfactors are listed below in descending order of importance:

a. Personnel. Evaluation will be based on the extent to which personnel resumes submitted by the offeror reflect the education and experience required by the labor category descriptions on a labor category and total labor hour basis. Other sources may be contacted to verify the resume contents. Education will be rated as either satisfactory or unsatisfactory. Experience may be rated higher than satisfactory if experience exceeds the minimum required in accordance with the labor category descriptions.

Annual salary will be evaluated to verify the offeror's clear understanding of the work to be performed and their capability to obtain and keep suitably qualified personnel to meet mission objectives. Unrealistic annual salaries and/or unrealistic fully burdened hourly rates will result in a reduced technical rating.

b. Sample Tasks. The responses to sample tasks set forth in Section L will be evaluated to determine the extent of the offeror's understanding of the Government's requirements. The clarity and completeness of responses addressing the special issues and problems associated with the performance of each sample task will be evaluated.

MANAGEMENT

The following management evaluation subfactors are equal in importance:

a. Management Plan/Manpower Utilization Matrix. Evaluation of the management plan will be based on a demonstration of sound business practices in response to the requirements of Section L.

The adequacy of all personnel proposed and their planned utilization will be evaluated based on the offeror's manpower utilization matrix. Any conflict between what is presented in the manpower utilization matrix and other parts of the offeror's proposal may result in a reduced evaluation rating.

A poorly defined management approach regarding the proposed subcontractors, or a large number of subcontractors, or a poorly structured partnership/joint venture, or a high proportion of contingency hires will result in the assessment of increased risk and/or a reduced evaluation rating.

b. Past Performance. Evaluation will be based on the extent, depth and quality of recent corporate experience in performing the same or similar work.

The Offerors, (including subcontractors) past performance and systemic improvement will be evaluated. Particular emphasis will be placed on the degree to which the offeror's management can demonstrate a concise relationship between their past performance data and their systemic improvements. Evaluation of the factual evidence will verify that the offeror has adopted and applied the principles and techniques of continuous systemic improvement in managing its total business to improve upon past performance.

The evaluation may include contacting other customers of the offeror to obtain feedback regarding past performance. The risk associated with the offeror's ability to perform on the proposed contract, i.e. to meet technical requirements, deliver quality products and meet cost and schedule, will be assessed.

COST

Offerors must propose one fully burdened hourly rate per labor category by completing Section B of the RFP. The cost evaluation subfactors listed below are equal in importance.

a. Price. The price will be evaluated on the Maximum Contract Labor Cost proposed for the base year and all option years.

The maximum hours listed in Section B for each labor category will be multiplied by the fully burdened hourly rate in Section B to calculate the extended dollars for that labor category. The Maximum Contract Labor Cost for each year is calculated by adding the extended dollars for all labor categories for that year. An additional amount will be added to the proposed price for each year to evaluate travel and other direct costs using a government estimate for travel and other direct costs and the burden rate submitted by the Offeror under G-3, "Additional Instructions for Submission of Invoices".

b. Cost Realism. The cost proposals will be evaluated for cost realism. This evaluation may include consideration of actual salaries being paid for similar work under other contracts, salaries

being paid for comparable civil service employees, excessive amounts of competitive time, DCAA audit information, and evaluation of compensation for professional employees. A cost proposal, which is determined to be unrealistic, will be assessed as having high performance risk.

**SAMPLE 9 - GOVERNMENT:
TECHNICAL > PAST PERFORMANCE > COST
ENABLES MULTIPLE AWARDS**

The following solicitation provisions are hereby incorporated by reference:

FAR 52.217-5 Evaluation of Options JUL 1990

FAR 52.216-27 Single or Multiple Awards OCT 1995

The contract(s) resulting from this solicitation will be awarded to that responsible offeror(s) whose proposal, conforming to the solicitation, is determined to offer the greatest value to the Government, cost and other factors considered.

Selection of an offeror for award will be based on an evaluation of three factors, listed in descending order of importance: Technical, Past Performance and Cost. Although Cost is less important than Technical and Past Performance, it is an important factor and should not be ignored. The importance of Cost as an evaluation factor will increase when cost is so significantly high as to diminish the value of the technical superiority of the offer to the Government.

Proposals which are unrealistic in terms of technical or schedule commitments, or unrealistically high or low in terms of cost, may be deemed to be reflective of an inherent lack of technical competence, or indicative of a failure to comprehend the complexity and risks of the proposed work and may be grounds for rejection of the proposal. The quality of organization and writing reflected in the proposal will be considered to be an indication of the quality of organization and writing which will be prevalent in the deliverable data.

The Government may award a contract based on initial offers received, without discussion of such offers. Accordingly, each initial offer should be submitted on the most favorable terms from a cost and technical standpoint. However, if considered necessary by the Contracting Officer, discussions will be conducted with those offerors with the most highly rated proposals.

The Government reserves the right to make an award to other than the lowest priced offeror or to other than the offeror with the highest technical score if the Contracting Officer determines that to do so would result in the greatest value to the Government.

1. TECHNICAL Oral Presentation is more important than Resumes.

a. ORAL PRESENTATION The Oral Presentation evaluation subfactors are listed below. Understanding Of Sample Task is significantly more important than Technical Approach:

Section I - Technical Approach
Section II - Understanding of Sample Tasks

When evaluating the offeror's understanding and capability, the Government will consider only the information on the overhead transparencies and slides actually projected during the allotted time for the oral presentation.

SECTION I - TECHNICAL APPROACH:

The technical approach will be evaluated to determine the extent of the Offeror's understanding of and feasibility/ability to successfully perform the Government's requirements as set forth in Section L herein.

SECTION II - UNDERSTANDING OF SAMPLE TASKS

The response to sample tasks will be evaluated to determine the Offeror's understanding, approach, allocation of resources, and overall resolution of the particular situation based on the information required by Section L herein.

b. RESUMES The resume evaluation will be based on the extent to which key personnel resumes meet or exceed the education and experience required by the labor qualifications in Section C. Key personnel shall have letters of commitment in the proposal. Resumes that do not meet the minimum qualification requirements will be evaluated as unacceptable.

2. PAST PERFORMANCE

The Government will evaluate the quality of the offeror's past performance as well as that of its proposed subcontractors, as it relates to the probability of successful accomplishment of the required effort.

a. The following subfactors are equal in importance:

1. timely delivery of services
2. technical quality
3. record of containing and forecasting costs
4. business-like concern for the interests of the customer
5. ability to attract and retain key personnel
6. applicability of the work to the Navy

b. Each performance risk assessment of the subfactors listed above will consider the number and severity of problems, the effectiveness of corrective actions taken and the overall work record. The assessment of performance risk is not intended to be the product of a mechanical or mathematical analysis of an offeror's performance on a list of contracts, but rather the product of subjective judgment of the Government after it considers all available, relevant and recent information.

3. COST

For purposes of evaluation, proposed costs may be adjusted for cost realism. Cost realism may also be considered in the evaluation of technical subfactors. Cost realism pertains to the offeror's ability to project costs which are realistic and reasonable and which indicates that the offeror understands the nature and scope of the work to be performed.

The Service Contract Act is applicable to this solicitation. Offerors are advised that the Wage Determination represents base labor rates, exclusive of fringe benefits.

For evaluation purposes, proposals which include G&A and / or overhead expenses shall be evaluated by applying such expenses and overheads to the cost areas and adding these costs to the total price proposed.

For example:

Travel	\$10,000.
G&A at 10%	<u>1,000.</u>
Evaluated	\$11,000.

**SAMPLE 10 - GOVERNMENT:
TECHNICAL > COST
ANTICIPATES MULTIPLE AWARDS
EVALUATES COST BURDENS ON TRAVEL & MATERIAL**

The following provision is hereby incorporated into section M by reference:

FAR 52.217-5, Evaluation of Options (Jul 1990)

EVALUATION CRITERIA AND THE BASIS FOR AWARD

(1) The Government desires to make three awards under this solicitation with the evaluation process to be conducted as follows: an evaluation conducted on an unrestricted basis to determine the offeror whose proposal is most advantageous; an evaluation made only among certified small business concerns to determine the small business offeror whose offer is most advantageous; and an evaluation made only among certified 8(a) concerns to determine the 8(a) firm whose offer is most advantageous. The Contracting Officer reserves the right to make less than three awards if the Contracting officer determines that such multiple awards are not in the best interest of the Government. Offerors are advised that only one proposal needs to be submitted, regardless of size certification.

(2) The Government intends to make award by lot. For each lot, the Government intends to make award to the eligible, responsible offeror whose offer, conforming to the solicitation, is determined most advantageous to the Government, cost/price and other factors considered. The offeror's proposal shall be in the form prescribed by, and shall contain a response to each of the areas identified in the Section L solicitation provision entitled "Submission of Proposals." The evaluation of proposals will consider the offeror's technical proposal more important than the

offeror's cost / price proposal. The Government reserves the right to award the contract to other than the lowest priced offeror.

(3) The technical evaluation factors are listed below in descending order of importance with Past Performance and Corporate Experience being of equal importance:

- Technical Approach
- Past Performance
- Corporate Experience
- Management Plan
- Personnel Resources

The Government reserves the right to obtain information for use in the evaluation of past performance from any and all sources. Offerors lacking relevant past performance history will receive a neutral rating for past performance. The offeror must provide the information requested above for past performance evaluation or affirmatively state that it possesses no relevant directly related or similar past performance. The Government will consider the quality of offeror's past performance. The assessment of the offeror's past performance will be used as a means of evaluating the relative capability of the offeror and other competitors to successfully meet the requirements of the RFP. In determining the rating for the past performance evaluation factor, the Government will give greater consideration to the contracts which are most relevant to the RFP.

If the offeror's proposal is determined unacceptable in any of the technical evaluation factors, the proposal may not be considered for award.

(4) Costs will be evaluated on the basis of cost realism. Cost realism pertains to the offeror's ability to project costs which are realistic and reasonable and which indicate that the offeror understands the nature and scope of work to be performed.

Any proposal containing uncompensated overtime or any other methodology that serves to reduce the direct Labor rate by combining paid labor hours and unpaid labor hours will be evaluated by the contracting officer for cost realism purposes by pricing the uncompensated hours at the straight time direct labor rate or adjusting the labor rate to remove the impact of the nonpriced hours.

Evaluation of personnel compensation will be part of the cost realism evaluation. Unrealistic rates, as determined by the Contracting Officer, may also be considered in risk assessment and the offeror's overall proposal may be downgraded.

The Government has estimated travel and material costs as specified below:

	<u>Travel</u>	<u>Material</u>
Lot I	\$80,000	\$20,000
Lot II	80,000	20,000
Lot III	80,000	20,000
Lot IV	80,000	20,000
Lot V	80,000	20,000

The Government's estimated travel and material costs (plus applicable burden) shall be used for the purpose of evaluating the cost/price proposal. Therefore, offerors shall use these estimates in preparing their cost/price proposal.

**SAMPLE 11 - A-76 STUDY:
EVALUATION OF PRIVATE SECTOR OFFERS**

SINGLE AWARD FOR ALL ITEMS

Due to the interrelationship of the services to be provided hereunder, the Government reserves the right to make a single award to the offeror whose offer is considered in the best interest of the Government, price and other factors considered. Therefore, offerors proposing less than the entire effort specified herein may be determined to be unacceptable.

EVALUATION OF PRIVATE SECTOR OFFERS:

If a contract is awarded as a result of this A-76 Study, it will be awarded to that responsible offeror whose offer, conforming to the solicitation, is determined most advantageous to the Government, cost / price and other factors considered. The evaluation factors for the private sector proposals are listed below in descending order of importance:

Price
Management Plan
Past Performance

A finding of unacceptable in one technical factor may result in the entire technical proposal being determined to be unacceptable.

The Government intends to award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint. However, if considered necessary by the Contracting Officer, discussions will be conducted with those Offerors determined to be in the competitive range.

The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement. The Government may determine that an offer is unacceptable if the option prices are significantly unbalanced. Failure to propose on the option years will make an offeror ineligible for award. Evaluation of options shall not obligate the Government to exercise the option(s).

**SAMPLE 12 - GOVERNMENT:
TWO EXAMPLES OF SMALL BUSINESS SUBFACTORS**

I. SMALL BUSINESS SUBCONTRACTING PLAN

The offeror's support of the policy of the United States regarding the utilization of Small and Small Disadvantaged Business Concerns will be evaluated. Since this procurement is unrestricted, offerors shall propose a Small Business subcontracting goal of at least 30 percent of the total contract value including a Small Disadvantaged Business subcontracting goal of at least 10 percent of the total contract value. (For example: a goal of 30 percent for small business and a goal of 10 percent for small disadvantaged business are separate goals, but the total goal for small business and small disadvantaged business would be 30 percent.)

II. SMALL BUSINESS PARTICIPATION

A Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan is required from each large business offeror. In order to guarantee that Small, Small Disadvantaged and Women-Owned Small Business participation is fully and appropriately addressed, the offeror is required to subcontract at least 25 percent of the total direct labor hours to small business. These Small Business subcontractor personnel are required to be placed in high, medium and low tech positions as defined by the education and experience requirements of the labor category descriptions.

Compliance with Small Business goals will be verified by reviewing the Offeror's reported subcontracting performance as reported on the SF294 and SF295 Small Business Subcontracting reports.